

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

December 14, 2007

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.:07OD-162

Oahu

Sale of Lease at Public Auction for Intensive Agriculture
Purposes, Waimanalo, Koolauapoko, Oahu, TMK: (1) 4-1-010:040

REQUEST:

Sale of lease at public auction for intensive agriculture
purposes.

LEGAL REFERENCE:

Sections 171-14, -14.5, -16, -17 and other applicable sections of
Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Waimanalo situated at Waimanalo,
Koolauapoko, Oahu, identified by Tax Map Key: (1)4-1-010:040, as
shown on the attached map labeled Exhibit A.

AREA:

3.742 acres, more or less, subject to confirmation by the
Department of Accounting and General Services, Survey Division.

ZONING:

State Land Use District: Agriculture
County of Honolulu CZO: AG-2

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State
Constitution: YES _____ NO X

CURRENT USE STATUS:

Vacant and unencumbered.

LEASE TERMS AND CONDITIONS:

CHARACTER OF USE:

Intensive agriculture purposes

LEASE TERM:

Thirty (30) years

COMMENCEMENT DATE:

The date of sale if the current occupant is the successful bidder, otherwise, sixty (60) days after the date of sale; provided that if such date is not on the first day of any month, the commencement date shall be the first day of the month following such date; and further provided that the Chairperson may amend the commencement date for good cause.

MINIMUM UPSET ANNUAL RENT:

To be determined by staff or independent appraisal establishing fair market rent, subject to review and approval by the Chairperson.

METHOD OF PAYMENT:

Semi-annual payments, in advance.

RENTAL REOPENINGS:

At the 10th and 20th years of the lease term, by staff or independent appraisal.

PERFORMANCE BOND:

Twice the annual rental amount.

PROPERTY CHARACTERISTICS:

Utilities - Utilities are available to the subject site, including water, electricity, telephone, but no sewer.

Slope - Most of the site is fairly level, slightly sloping down from the street to the rear of the property.

Elevation - Elevation of approximately 200 feet.

Rainfall - 63.7 inches per annum.

SCS Soil Series - Pohahupu silty clay loam, 0 to 8 percent slopes.

Land Study Bureau - B56i (85%) and E106 (15%)
B56i (irrigated) has a productivity rating of "b" for pineapple, vegetables and sugarcane and "a" for forage, grazing and orchard crops.

E106 has a productivity rating of "e" for pineapple, vegetable crops, sugarcane and forage and "b" for grazing and "d" for orchard crops.

Legal access to property - Staff has verified that there is legal access to the property off of Kakaina Street.

Subdivision - Staff has verified that the subject property to be auctioned is a legally subdivided lot.

Encumbrances - Staff has verified that the following encumbrances exist on the property: None.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 that states "Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

REMARKS:

The subject property was previously encumbered under General Lease No. S-3757 to John A. K. Okamura, that commenced on December 2, 1963 and expired on December 1, 2005. The original term of the lease was for a period of twenty (20) years with an expiration of December 1, 1983, and was later extended to December 1, 2005 by the Board at its meeting of January 11, 1980.

The location of the subject site is zoned agricultural by County zoning. Agriculture remains the predominant land use among other properties in the area and a new lease for that purpose would appear appropriate.

The prior lease allowed for a residential dwelling on the premises. However, upon the issuance of a new lease at public auction, the premises, or any portion, shall be utilized for employee housing and shall not be utilized for principal domicile residential purposes. The construction or placement of any structure on the premises for principal domicile residential purposes is strictly prohibited.

Comments were solicited from various State and County agencies. The Division of Engineering and the Commission of Water Resource Management, City and County of Honolulu, Department of Planning and Permitting and Department of Facility Maintenance all expressed no objections to the public auction.

The Department of Hawaiian Home Lands would like to acquire the subject property as part of its 16,508 acre public land transfer authorized under Act 14, SplH 1995. DHHL needs to relocate several agricultural homestead lessees on Oahu and the property would assist in this effort. The Department of Agriculture is opposed to DHHL's request.

The Office of Hawaiian Affairs has no objection to the property being placed for public auction, as long as the rent amount is determined at fair market value. There are no other pertinent issues or concerns.

There are strong demands for agriculture leases in Waimanalo. Staff receives inquiries regularly as to the availability of the next public auction of agriculture leases. This property has been the subject of specific inquiries by Waimanalo farmers.

Staff is recommending that the Board declare its intent to continue the parcel's agricultural use and issue a new lease at public auction.

RECOMMENDATION: That the Board:

1. Find the area to be an economic unit in terms of the intended use.
2. Find that the subject area is not suitable for hunting, nor will it become so during the term of the lease.
3. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
4. Authorize the sale of a lease at public auction covering the subject area for intensive agriculture purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current intensive agriculture general lease form, as may be amended from time to time;
 - b. Within the first three years of the lease term, the land under lease shall be utilized for the purposes for which the lease is sold, all in accordance with a conservation plan approved by the Chairperson;

- c. The lessee is prohibited from using the property as his primary residence;
- d. Employee dwelling shall be allowed on the premises. The Lessee shall not place or construct any dwelling unit in excess of one employee dwelling unit on the premises; provided, further that the employee dwelling unit shall be constructed in accordance with plans and specifications approved by the Chairperson;
- d. Review and approval by the Department of the Attorney General; and
- e. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Steve Lau

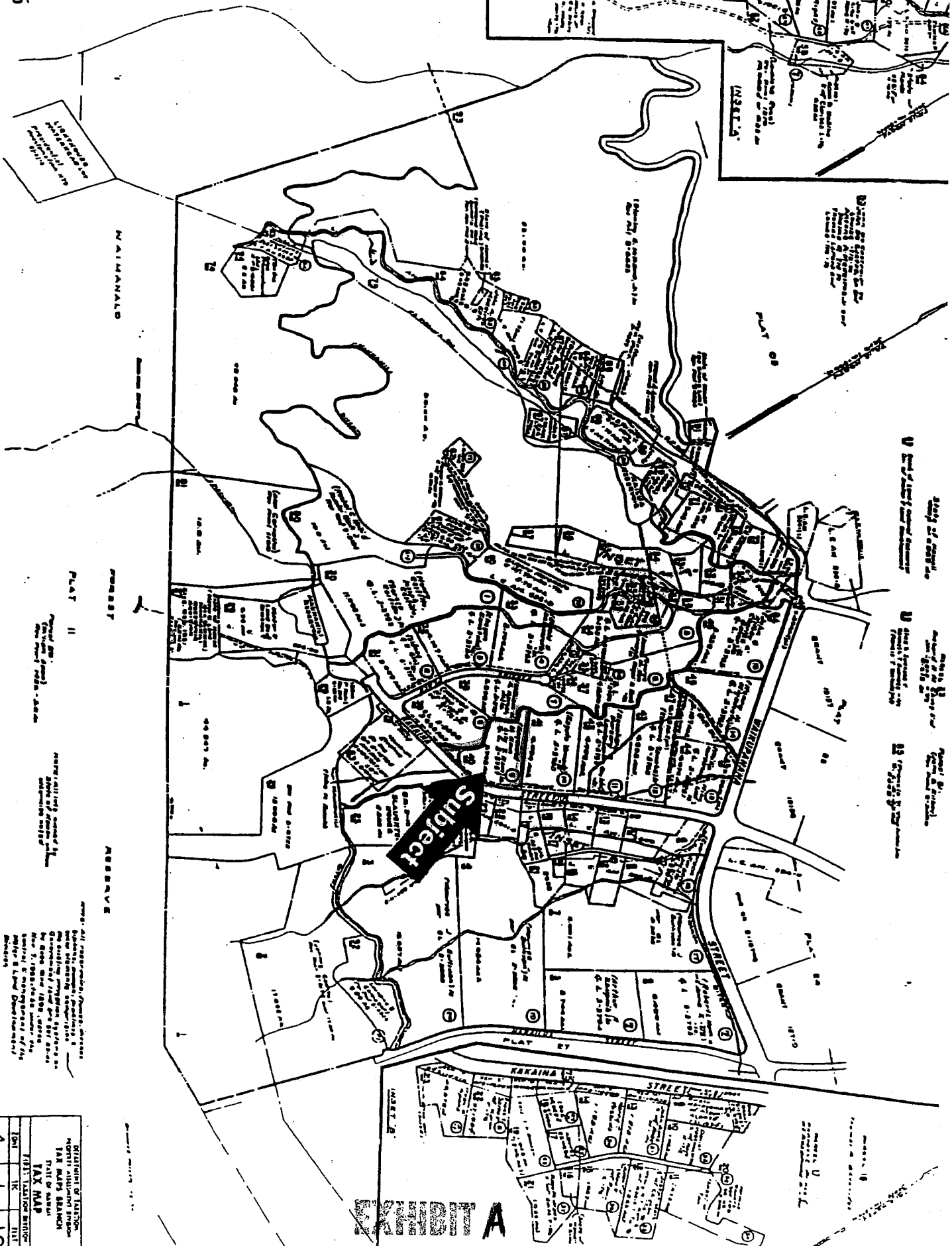
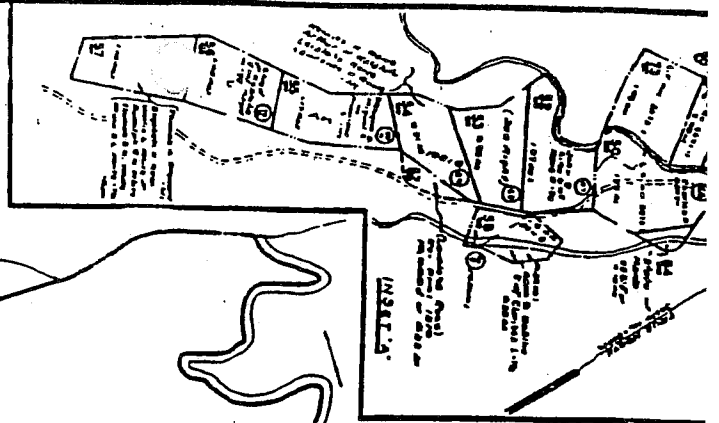
Steve Lau
Land Agent

APPROVED FOR SUBMITTAL:

Laura H. Thielen *lh*
Laura H. Thielen, Chairperson

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FOR KAIMANALO, KOOLAUPONO, OAHU (Form No. 4-1-01)



U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
HONOLULU, HAWAII

PLAT 11

FOR KAIMANALO, KOOLAUPONO, OAHU

FOR KAIMANALO, KOOLAUPONO, OAHU

FOR KAIMANALO, KOOLAUPONO, OAHU

FOR KAIMANALO, KOOLAUPONO, OAHU

EXHIBIT A

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